

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Rules Committee Meeting
October 3, 2002

TRUSTEES PRESENT

Mr. Davis Yogi, Chairperson
Mr. Neal Miyahira
Mr. Willard Miyake

ATTORNEY

Ms. Brian Aburano, Deputy Attorney General

HEUHBTF STAFF

Mr. H. Mark Fukuhara, Administrator	Ms. Maria Quartero
Mr. Leslie Ozawa	Mr. Gary Sanehira
Ms. Gerti Reagan, Consultant	Ms. Donna Tonaki

OTHERS PRESENT

Ms. Nani Crowell – HSTA-MBC	Mr. Peter Rodriguez, Hartford
Mr. Gordon Murakami, Royal State	Ms. Amy Yasuda, UH
Ms. Kären Muronaka, HSTA-Retired	

A. CALL TO ORDER

The meeting of the Rules Committee was called to order when there was a quorum at 9:10 a.m. by Mr. Davis Yogi, Chairperson, in Conference Room 405, Leiopapa A Kamehameha Building, 235 South Beretania Street, Honolulu, Hawaii, on Thursday, October 3, 2002.

The Committee discussed the letters that were received from the public:

1. Mr. Murakami submitted his memorandum dated September 30, 2002.

RECESS: 9:45 a.m. to 9:50 a.m.

After reviewing and discussing the comments in Mr. Murakami's memo, and allowing public comments on the same, the Trustees present agreed to make the following changes to the proposed rules:

- a. Rule 4.12(a), Voluntary Cancellation Requested by the Employee-Beneficiary – coverage will continue through the last day of the pay period. The last sentence is changed as follows: “The effective date of cancellation shall be the [last] first day of the pay period [during which] following the requested cancellation date [occurs] or, if no date is specified, the effective date of cancellation shall be the [last] first day of the pay period [during] after which the Fund receives the employee-beneficiary's request of cancellation.
- b. Rule 4.12(b)(2), Cancellation due to Ineligibility, sentence changed as follows: “When the person is notified after the effective date of the enrollment, the enrollment shall be cancelled on the [last] first day of the second pay period [that immediately] following [the tenth day from] the date of the Fund's notice of cancellation to the ineligible person or employee-beneficiary.” The following examples were given as to

the application of this change. If a person receives a notice of cancellation on October 7th, coverage would be extended through October 30th. Also, if a person received notice of cancellation on October 16th, coverage would be extended through November 15th.

- c. Rule 4.12(c), Cancellation Due to Failure to Pay Contributions, last sentence changed as follows: "The effective date of cancellation shall be the [last] first day of the [second] third pay period immediately following the date that the premium contribution was due."
- d. Rule 5.05(a), Termination Due to Surviving Spouse's Remarriage, last sentence changed as follows: "The effective date of the termination shall be the [last] first day of the pay period [during which] following the date of the surviving spouse's marriage [occurs]."
- e. Rule 5.05(b), Termination Due to Child's Loss of Eligibility, last sentence changed as follows: Unless provided otherwise by these rules or applicable federal or state law, the effective date of the termination shall be the [last] first day of the pay period [during which] following the date of the event [occurs]."
- f. Rule 5.01(c), Loss of Coverage in a Benefit Plan Offered by the Fund, the intent is to cover the employee-beneficiary so that there is no break in coverage. The last sentence is changed to: "The effective date of coverage shall be the [first] day [following] of the employee-beneficiary's loss of coverage."
- g. Rule 5.01(d), Loss of Coverage in a Non-Fund Health Benefit Plan, the last sentence in this paragraph should be changed to: "The effective date of the coverage shall be [first] the date [day following the date] the employee-beneficiary [lost] loses coverage under the Non-Fund health benefit plan or the date the employee-beneficiary's COBRA continuation provision coverage was exhausted."

RECESS: 10:50 a.m. to 11:02 a.m.

- h. Rule 5.02(e), Changes Between Plans, the committee added another event when an employee-beneficiary can change between plans. The change is as follows: "An employee-beneficiary may change between health benefit plans offered or sponsored by the Fund when: (1) The employee-beneficiary moves to a residence outside of the geographic areas covered by the employee-beneficiary's present benefit plan. The effective date of the change in plans shall be the date of the employee-beneficiary's relocation. (2) The employee-beneficiary is enrolled in a supplemental health benefits plan offered or sponsored by the Fund and loses primary coverage in a Non-Fund health benefits plan. The effective date of the change shall be the date that the employee-beneficiary loses coverage in the Non-Fund health benefits plan."

2. Mr. Higa submitted memorandum dated September 25, 2002:
 - a. Concern of bargaining unit and appropriate bargaining unit – after discussing the matter with the deputy attorney general and allowing for any public comment, the Committee feels that the words “applicable” makes more sense than “appropriate” in Rules 1.13(a)(2), 1.13(b)(2), 4.10(a), and 5.06(a).
 - b. Concern that the word “United States” should be changed to “United States of America” – the Committee agreed to change the word to “United States of America”.
 - c. Concern of the reference to both “exclusive employee organizations” and “exclusive representatives” – after discussing the matter with the deputy attorney general and allowing for any public comment, the Committee feels that it is not confusing and improper.
 - d. A rule providing that eligible employees who do not reject life insurance coverage in writing be covered by the group insurance policy should be included in the Proposed Rules, as such is required by statute – after discussing the matter with the deputy attorney general and allowing for any public comment, the Committee decided not to adopt the suggested rule without further information from Mr. Higa.
 - e. Concern that Act 88, SLH 2001 provides that the Hawaii Employer-Union Health Benefits Trust Fund may develop and issue rules, which shall become effective on July 1, 2003 – after discussing the matter with the deputy attorney general and allowing for any public comment, the Committee decided to leave the matter of the effective date of the Proposed Rules up to the Board. The Committee noted that it had to have some rules in effect prior to July 1, 2003, in order to accomplish its statutory tasks.
 - f. Concern that the Proposed Rules need to conform to equal employment opportunity laws and eligibility criteria are inconsistent with statute – after discussing the matter with the deputy attorney general and allowing for any public comment, the Committee decided to ask Mr. Higa for more specifics as to which rules he was concerned with, what equal employment opportunity laws he felt were being violated, and why he felt the subject rules were violating those laws.
 - g. Concern that 4.13(b) needs to be clarified – after discussing the matter with the deputy attorney general and allowing for any public comment, the Committee decided to make no change to this Rule.

The Committee went over the proposed changes to the draft rules version of October 3, 2002 as outlined in ramseyer format. The purpose of the discussion was to either accept or have further discussion on the changes as proposed by the Committee, deputy attorney general, consultant, staff, and the public.

The following items required further discussion:

1. Rule 3.01(a), need to add a heading Employee-Beneficiaries.
2. Rule 3.01(b), need to add a heading Dependent-Beneficiaries.
3. Rule 4.13(c), need to add change from previous meeting on September 20, 2002.

The Committee discussed and agreed that the final draft of Administrative Rules will be mailed to the different unions. The Administrative Rules will be on the agenda of the October 24, 2002 Board

meeting and the public can comment on the Rules. Also attached to the final draft will be the responses from people who had questions.

B. COMMUNICATIONS FROM THE PUBLIC AND INPUT FROM ATTENDEES

- Memorandum dated September 25, 2002 was received from Mr. Melvin M. Higa, Mutual Benefit Association of Hawaii, expressing his concerns to the Rules Committee.
- Memorandum dated September 30, 2002 was received from Mr. Gordon C. Murakami, The Royal Insurance Agency, Inc., providing suggested changes to the proposed rules.

C. ADJOURNMENT:

Meeting adjourned at 12:44 p.m.

Respectfully submitted,

/s/
Davis Yogi, Chairperson

APPROVED on April 23, 2003.

Documents Distributed:

1. Draft 9/9/02 Clean (Ramseyer revisions accepted) w/ Additional Public and Deputy Attorney General Comments, version 9/20/02. (25 pages)
2. Memorandum from Mr. Melvin M. Higa, Mutual Benefit Association of Hawaii, dated September 17, 2002, regarding his concern of the quality of level of drafting of the proposed rules. (1 page)
3. Memorandum from Mr. Melvin M. Higa, Mutual Benefit Association of Hawaii, dated September 17, 2002, regarding his concern that the proposed administrative rules do not conform to statute.
4. Memorandum from Mr. Gordon C. Murakami, The Royal Insurance Agency, Inc., dated September 20, 2002, regarding Suggested Changes to Proposed Rules. (2 pages)